
Press Release

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Housing, Jobs a Significant Barrier for Millennials Reaching Adulthood, Experts Warn

Los Angeles – Millennials represent one of the most dynamic population segments in the United States, but face significant housing and employment challenges in the new economy, experts said Monday.

Speaking at an all-day conference at the California Science Center - "The Continued Rise of the Millennials?" - demographers, policy makers and business leaders said a gridlock of housing and jobs is impacting where and how young adults are living more than perceived preferences. Millennials – typically defined as persons born between 1980 and 1999 – now number 75.4 million in the United States and is the nation's largest living generation, according to the Census Bureau.

Monday's conference was the latest in an annual series of demographic workshops sponsored by the Southern California Association of Governments (SCAG) and the USC Sol Price School of Public Policy.

"The Great Recession really slammed the college generation. They walked right into a death trap," said Dowell Myers, director of the Population Dynamics Research Group at the Price School.

In addition to a tightened job market, the economic shift that began in 2007 resulted in a sharp reduction in single-family and multifamily housing construction, creating a supply-and-demand imbalance that has hit California and Greater Los Angeles particularly hard. As millions of millennials were reaching adulthood, massive numbers of homeowners were forced back into the rental market.

Compounding this, the move-up market has stalled as well, with growing numbers of homeowners choosing to stay put. This, too, has been driven by market forces – notably the rapid acceleration in home costs. According to the California Association of Realtors (CAR), only 34 percent of households in the state can afford a median-priced home, well below the U.S. average of 60 percent.

"To understand what's happening with millennials, it's important to see what's happening with baby boomers. They're not moving. It's not penciling out for them," said Leslie Appleton-Young, CAR's vice president and chief economist. As a result, "We now have a generation (millennials) that has delayed adulthood for eight years."

Randall Lewis, executive vice president and a principal in the Lewis Operating Corp., a major Southern California community builder, said about a third of all millennials currently live at home.

“Most are there because they’re forced to live there,” Lewis said. “We’re in the middle of a crisis. Supply is a powerful force in keeping housing affordable.”

Another powerful force are career opportunities – a point Lewis emphasized in urging policy makers to work with their school districts. “There is a really strong correlation between educational attainment and employment,” he said.

Other challenges highlighted during the conference include community resistance to affordable housing and the long-term financial impact of student loan debt. According to a National Association of Realtors survey released Monday, 71 percent of respondents with student loan debt said the burden of those monthly payments was keeping them from buying a home.

Michele Martinez, a Santa Ana City Council member and President of SCAG, said it is important to understand how multilayered these challenges are – for millennials and the region’s communities.

“From housing to job creation to regional transportation planning and sustainability, we have a lot of work to do,” Martinez said. “What we’re seeing very clearly is that the challenges one generation or one community faces are closely connected to the challenges faced by others. We don’t live in silos. We need to work collaboratively and with shared vision.”

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About SCAG

SCAG is the nation’s largest metropolitan planning organization, representing six counties, 191 cities and more than 18 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG, please visit: www.scag.ca.gov.